

WALTON INTERNATIONAL LTD

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v.

YONG TENG HING B/S HONG KONG
TRADING CO & ANOR

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HIGH COURT MALAYA, KUALA LUMPUR
RAUS SHARIF J
[ORIGINATING MOTION NO: R1-25-177-2003]
23 FEBRUARY 2007

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TRADE MARKS: *Registration - Opposition - Whether 1st respondent copied appellant's trade mark - Whether 1st respondent had prior use of trade mark in respect of goods in Class 9 in Malaysia - Whether issue of confusion or deception arose - Whether appellant could claim monopoly over mark*

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This was an appeal by the appellant against the decision of the Registrar of Trade Marks, Malaysia ('Registrar') dismissing the appellant's notice of opposition filed against the 1st respondent's application to register the trade mark "Giordano" for optical and sun glasses in Class 9. It was the appellant's case that the 1st respondent could not in law and in fact be the *bona fide* proprietor of the "Giordano" mark as the appellant was the originator of the mark, and that the 1st respondent had copied the appellant's trade mark, thereby misappropriating the reputation, goodwill and commercial advantage of the appellant's "Giordano" mark. The 1st respondent, on the other hand, contended that he had prior use of the "Giordano" mark in respect of goods in Class 9 in Malaysia and that he had been selling optical and sun glasses using the "Giordano" mark since 1992. Thus, it was the 1st respondent's contention that the appellant's notice of opposition was *mala fide* because: (i) the appellant had never applied for registration of the "Giordano" mark for goods in Class 9; and (ii) there was no evidence of proof of use by the appellant of the "Giordano" mark on goods in Class 9 either prior to the 1st respondent's application or even after the said application.

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Held (dismissing the appeal):

(1) The Registrar was right in dismissing the appellant's opposition to the 1st respondent's application to register the "Giordano" mark for Class 9. This was not a classic example of piracy of foreign trade marks by unscrupulous locals as contended by

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- A the appellant. From the evidence, it was clear that the 1st respondent was the first person to have used the “Giordano” mark in Class 9 in Malaysia. The appellant, on the other hand, had not adduced any evidence to show that it had in fact sold goods bearing the said mark in Class 9 in Malaysia.
- B There was no evidence or proof of use by the appellant of the “Giordano” mark on goods in Class 9, either prior to the 1st respondent’s trade mark application or even after the said application. Hence, the appellant had no reputation or goodwill in the “Giordano” mark in connection with goods in Class 9.
- C The appellant’s reputation and goodwill extended only to goods in Class 25 *ie*, for clothing footwear and headgear which was not similar to the 1st respondent’s goods *ie*, optical and sun glasses. In the present case, both the appellant’s and the 1st respondent’s products were being sold at different stores; in fact, there was no evidence that the appellant was selling optical and sun glasses in Malaysia. Thus, the issue of confusion or deception as raised by the appellant did not arise. Another point was that the 1st respondent had successfully registered its “Giordano” mark for goods in Class 14 in Malaysia and although the opposition by the appellant was similarly dismissed by the Registrar, the appellant did not mount an appeal against that decision. This was a clear indication that the appellant had accepted the fact that it could not claim a monopoly over the “Giordano” mark. (paras 15, 16, 17 & 18)
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Case(s) referred to:

- Aston v. Hartee Manufacturing Co* [1960] 3 CLR 391 (**refd**)
- Davidoff Extension SA v. Davidoff Commercio E Industria LTDA* [1988] 1 MLJ 234 (**refd**)
- G *Fazaruddin Ibrahim v. Parkson Corporation Sdn Bhd* [1997] 2 CLJ 863 HC (**refd**)
- Karrimor International Ltd v. Ho Choong Fun t/a Ah Hwa Trading Co* [1989] 3 MLJ 467 (**refd**)
- Lim Yew Sing v. Hummel International Sports & Leisure A/S* [1996] 4 CLJ 784 CA (**refd**)
- H *Moorgate Tobacco Ltd v. Philip Morris Ltd & Another* [1985] LRC (Comm) 682 (**refd**)
- The Seven Up Co v. OT Ltd* [1947] 75 CLR 211 (**refd**)
- Thrifty Rent-A-Car System, Inc v. Thrifty Rent-A-Car Sdn Bhd & Anor* [2004] 2 AMR 57 (**refd**)
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For the appellant - Michael Soo (KP Ng with him); M/s Shook Lin & Bok
For the respondent - WA Shashila; M/s RamRais & Partners

Reported by Suresh Nathan

JUDGMENT

Raus Sharif J:

[1] This is the appellant's appeal against the decision of the learned Registrar of Trade Marks, Malaysia ("Registrar") in dismissing the appellant's notice of opposition filed against the 1st respondent's trade mark application No. 92/0511. The 1st respondent had applied to register the trade mark "GIORDANO" for optical and sun glasses in Class 9.

[2] The appellant, Walton International Limited, is an associated company of Giordano Limited, where both were part of the group of companies owned by Giordano Holdings of Hong Kong, a public listed company on the Hong Kong Stock Exchange since 1991. Following a restructuring, the appellant and Giordano Limited became wholly owned subsidiary of Giordano International Limited of Bermuda, also a public listed company on the Hong Kong Stock Exchange.

[3] In Malaysia the appellant is the registered proprietor, applicant and assignee of the GIORDANO trade mark ("GIORDANO mark") in the following classes of goods:

No.	Mark/No.	Classes of Goods	Status
1.	GIORDANO Reg. No. M/96438, Reg. No. S/30459 and Reg. No. Sar/25720	Class 25 for garments and wearing apparels	Registered

A	No.	Mark/No.	Classes of Goods	Status
B	2.	GIORDANO Application No. 92/02280	Class 18 for leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and traveling bags; umbrellas, parasols and walking sticks, whips, harness and saddlery	Pending registration
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D	3.	GIORDANO Application No. 88/02812	Class 25 for articles of clothing	Pending issuance of Certificate of Registration
E	4.	GIORDANO World without Strangers Application No. 96/09187	Jeans, T-shirts, pouch, accessories, trousers, clothing, footwear and headgear all included in Class 25	Pending
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G	5.	GIORDANO LADIES Application No. 98/01379	Class 3	Pending
	6.	GIORDANO LADIES Application No. 98/01382	Class 18	Pending
H	7.	GIORDANO LADIES Application No. 98/01384	Class 25	Pending
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8.	GIORDANO KIDS & Device Application No. 98/01381	Class 18	Pending
9.	GIORDANO KIDS & Device Application No. 98/01383	Class 25	Pending

[4] Apart from the above applications and registrations in Malaysia, the appellant is also the registered proprietor and applicant for registration, whether by itself or through assignments, of the GIORDANO mark for goods in, *inter alia*, classes 9, 14, 18 and 25 in many other countries around the world.

[5] The 1st respondent is a sole proprietor of Hong Kong Trading. He ventured into businesses of selling watches with leather and imitation leather straps in 1986 and selling optical and sun glasses, cases made of leather or imitation leather in 1992 in Malaysia. All the goods sold and dealt with by the 1st respondent used the "GIORDANO" mark. He had in fact applied to register the GIORDANO mark for goods in Class 9, 14 and 18 and had obtained registration of the GIORDANO mark in Class 14.

[6] The 1st respondent's application for registration of GIORDANO mark in Class 9 ie, for optical and sun glasses was filed on 25 July 1992. The application was accepted by the registrar and advertised in the Government Gazette on 8 June 1995. Following the gazette notification, the appellant filed a notice of opposition to oppose the application.

[7] The opposition proceedings proceeded before the registrar with the filing of statutory declarations and written submissions from both parties. On 19 July 2003, the registrar decided in favour of the 1st respondent ie, rejecting the applicant's opposition and accepted the 1st respondent application for registration of GIORDANO mark for Class 9. Hence, this appeal by the appellant.

- A [8] It is the appellant's case is that the 1st respondent cannot in law and in fact be the *bona fide* proprietor of the GIORDANO mark since the appellant is the originator the mark. The appellant stated that the GIORDANO mark originates from Hong Kong Giordano Limited and it first used the mark in Hong Kong
- B sometime in June 1981. The GIORDANO mark in its current stylised and typeface was designed by the creative department of Giordano Limited, in the late 1985. Shortly after its creation, the mark was extensively used in respect of garments and wearing
- C apparels (Class 25). The mark was eventually used on other goods such as watches with leather straps, leather belts, eyewear including sun glasses, bags and wallets in Hong Kong. These goods were exported to other countries in South East Asia region including Malaysia. In Malaysia, the sales of goods bearing the GIORDANO mark such as articles of clothing, leather belts, bags,
- D wallets, umbrellas and other fashion accessories commenced in 1990, in Metrojaya outlets, Kuala Lumpur and thereafter, to other states throughout Malaysia. These goods, as claimed by the appellant, were and being extensively advertised and promoted in, *inter alia*, Malaysian newspapers, magazines and television
- E commercials. Thus, it is the contention of the appellant that the 1st respondent had copied the appellant's trade mark, thereby misappropriating the reputation, goodwill, and commercial advantage of the appellant's GIORDANO mark.
- F [9] The 1st respondent on the other hand, contended that he had prior use of the GIORDANO mark in respect of goods in Class 9 in Malaysia. According to him, he had been selling optical and sun glasses using the GIORDANO mark since 1992. Thus, it is the contention of 1st respondent that appellant's notice of
- G opposition was *mala fide* because:
- (i) the appellant had never applied for registration for the "GIORDANO" mark for goods in Class 9; and
- (ii) there was no evidence or proof of use by the appellant of
- H "GIORDANO" mark on goods in Class 9 either prior to the 1st respondent's application or even after the said application.
- [10] Mr. Michael C.M. Soo, learned counsel for the appellant, submitted that the facts of this case are similar to that of *Thrifty*
- I *Rent-A-Car System, Inc. v. Thrifty Rent-A-Car Sdn. Bhd. & Anor*

[2004] 2 AMR 57 and urged this court to make the same findings as in that case. It is therefore necessary to undertake a careful examination of that case.

[11] In *Thrifty Rent-A-Car*, the facts are these. The Thrifty Rent-A-Car system (“the respondent”) had been engaged in the business of, *inter alia*, renting and leasing vehicle, providing vehicle parking, travel agency service, renting and leasing equipment and selling vehicles in the United States of America since 1958 and had appointed licenses and franchises to carry out the business worldwide since 1960s by using trade mark Thrifty Rent-A-Car (“Thrifty mark”). Since early 1985, the opponent’s franchise in Malaysia and Singapore had been using the Thrifty mark. On 8 October 1985, *Thrifty Rent-A-Car Sdn. Bhd.* (“the applicant”) filed an application to register the Thrifty mark in respect of paper and paper articles, cardboard and cardboard articles, stationery and adhesive materials in Class 19. The application was allowed by the registrar despite the opposition from the respondent. The learned High Court Judge in overturning the decision of the registrar ie, allowing the respondent’s opposition held *inter alia*, that the registrar should not have allowed the application as the applicant was not and could not claim to be the originator or proprietor of the Thrifty mark as the respondent was the originator and first user of, and had been using and promoting the Thrifty mark’s worldwide including Malaysia prior to the applicant’s application for registration of the Thrifty mark by the applicant. In coming to the said conclusion the learned High Court Judge adopted the principles laid down by the High Court of Singapore in *Karrimor International Ltd v. Ho Choong Fun t/a Ah Hwa Trading Co* [1989] 3 MLJ 467 where his Lordship said at pp. 61-62:

I think the learned registrar should not have allowed the application under opposition to proceed to registration as the first respondent is not and cannot claim to be the originator or proprietor of the Thrifty mark since the appellant is the originator and first user of, and had been using the Thrifty mark many years before the first respondent applied for registration of the Thrifty mark. In *Karrimor International Ltd v. Ho Choong Fun t/a Ah Hwa Trading Co* [1989] 3 MLJ 467, the applicants were a company incorporated in the United Kingdom and were manufacturers and dealers of school bags and knapsacks bearing the ‘Karrimor’ trade mark, which had been used since 1958 and had been registered in Great Britain and many foreign countries. The respondent on

- A the other hand had been distributing and selling similar items bearing the ‘Karrimor’ trade mark since 1984 in Singapore. On the dispute of ownership between the applicants (ie, the foreign trader) and the respondent (ie, the local trader) in respect of the mark, Chua J at p. 468 left column, lines C-H said:
- B The applicants have since 1958 acquired a worldwide reputation in their products. They have acquired a substantial and established reputation and goodwill in the business of ‘Karrimor’ school bags and knapsacks. The trade and public exclusively identify ‘Karrimor’ school bags and knapsacks with the applicants.
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- D The respondent has been distributing and selling school bags and knapsacks with the trade mark ‘Karrimor’ since only 1984. ... *There is no evidence that the respondent had advertised his products widely in newspapers. The respondent must have been well aware of the well-known trade mark of the applicants. He has not explained at all his choice of the trade mark ‘Karrimor’ which is very similar to ‘Karrimor’. The name of the applicants contains the trade mark ‘Karrimor’. This fact indicates that the respondent did not independently devise his trade mark but in fact copied it from the applicants’ trade mark.*
- E *The respondent in truth is not the true proprietor of the mark ‘Karrimor’. There is no doubt that the respondent is trying to obtain the benefit of the worldwide reputation of the applicants. (emphasis added)*
- F [12] To further support his submission, Mr. Michael C.M. Soo also referred to the case of *Davidoff Extension S.A. v. Davidoff Commercio E. Industria LTDA* [1988] 1 MLJ 234. There, the applicant, Davidoff Extension S.A., was a company in a group of companies which marketed certain cigars under trademark
- G “Davidoff”. The Davidoff Group of Companies have registered their trademark “Davidoff” in many parts of the world. The respondents obtained registration of the “Davidoff” trade mark in Singapore. The High Court of Singapore in allowing the applicant’s application for rectification of the respondents’ trade
- H mark registration said:
- I It is clear from the evidence that the trade mark Davidoff has long been associated with the Davidoff Group as owners. The trade mark Davidoff originated with (*sic*) Mr. Zino Davidoff who is still involved with the Davidoff Group. The trade mark Davidoff was first registered in Switzerland by Davidoff et Cie in

Switzerland in December 1969. Prior to 1979, consumers in Singapore ordered Davidoff cigars from the applicants' office in Basle.

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The respondents were well aware of the prior claim to the proprietorship of the trade mark "Davidoff" by the applicants. The respondents have not sufficiently explained their choice of the "Davidoff" trade mark. The applicants' trade mark had acquired a sufficient reputation in this country, at the date of the application by the respondents for the registration of their mark, as to merit protection. The respondents were not entitled to registration at the time of their application (see Pelican T.M.). (emphasis added)

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[13] Applying the above principles to the facts of this case, it was submitted by Mr. Michael C.M. Soo that the 1st respondent did not independently devise the GIORDANO mark but copied it from the appellant. According to him, the logical inference against the 1st respondent choice of using the GIORDANO marks on his goods was to cash in on the appellant's worldwide reputation and goodwill. In short, it was submitted Mr. Michael C.M. Soo that the act of the 1st respondent was a classic example of piracy of foreign trade marks by unscrupulous locals.

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[14] Mrs. W.A. Shashila, the learned counsel for the 1st respondent strongly refuted the label that the 1st respondent was the unscrupulous local who pirated the appellant's GIORDANO mark. She submitted that the 1st respondent's right over the use of the GIORDANO mark cannot be disputed as the 1st respondent was the first user of the said mark in respect of goods in Class 9 in Malaysia. According to her, since the 1st respondent was the first person who used the GIORDANO mark for Class 9 in Malaysia, he became the proprietor of the mark. To support his proposition, she cited: *Fazaruddin bin Ibrahim (b/s Perniagaan Fatama) v. Parkson Corporation Sdn. Bhd.* [1997] 2 CLJ 863, *Lim Yew Sing v. Hummel International Sports & Leisure A/S* [1996] 4 MLJ 784, and three Australian cases of *Moorgate Tobacco Ltd v. Philip Morris Ltd & Another* [1985] LRC (Comm) 682 *The Seven Up Co v. OT Ltd* [1947] 75 CLR 211 and *Aston v. Hartee Manufacturing Co* [1960] 3 CLR 391.

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A Findings Of The Court

B [15] On the facts of this case, my respectful view is that the registrar was right in dismissing the appellant's opposition to the 1st respondent application to register the GIORDANO mark for Class 9. To me, this is not a classic example of piracy of foreign trade marks by unscrupulous locals as contended by the applicant. From the evidence, it is clear that the 1st respondent was the first person who used the GIORDANO mark in Class 9 in Malaysia. The appellant on the other hand has not adduced any evidence to show that it has in fact sold goods bearing the said mark in Class 9 in Malaysia. There is no evidence or proof of use by the appellant of GIORDANO mark on goods in Class 9, either prior to the 1st respondent's trade mark application or even after the said application. Hence, the appellant has no reputation or goodwill in the GIORDANO mark in connection with goods in Class 9.

E [16] To my mind, the appellant's reputation and goodwill extend only to goods in Class 25 ie, for clothing footwear and headgear which is not similar with the 1st respondent's goods ie, optical and sun glasses. Clearly, the appellant's goods are of a different description and from the evidence they were sold not in the same trade channel as the appellant but rather, in very different stores. In *Lim Yew Sing v. Hummel International Sports & Leisure A/S* [1996] 4 CLJ 784 Mahadev Shanker JCA on distinctiveness had this to say:

G For the purpose of establishing distinctiveness, therefore, one must look to the use of the mark in the course of trade. The element of confusion comes in when goods belonging to two different proprietors with similar marks are competing in the same market in the course of trade.

H [17] In the present case both the appellant's and respondent's products are being sold at different stores. In fact there is no evidence that the appellants were selling optical and sun glasses in Malaysia. Thus, the issue of confusion or deception as raised by the appellant does not arise.

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[18] Another point is this. The 1st respondent had successfully registered its GIORDANO mark for goods in Class 14 in Malaysia. The opposition by the appellant was similarly dismissed by the registrar. But the appellant did not mount any appeal against the decision of the registrar. To me, this is a clear indication that the appellant had accepted the fact that it cannot claim any monopoly over the 'GIORDANO' mark. It is for this reason that the cases of *Thrifty Rent-A-Car* and *Davidoff Extension S.A.* are of no assistance to the appellant's cause.

[19] On the above reasons, the applicant's appeal is hereby dismissed with costs.

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